

## Message Text

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ORIGIN EB-06

INFO OCT-01 IO-04 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

FEA-01 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-01

H-01 INR-05 INT-05 L-01 LAB-01 NSAE-00 NSC-05 PA-01

RSC-01 AID-05 CIEP-01 SS-15 STR-01 TAR-01 TRSE-00

USIA-06 PRS-01 SP-02 OMB-01 SWF-01 AF-04 ARA-06 EA-06

EUR-08 NEA-06 OIC-02 /105 R

DRAFTED BY EB/ITP:BJMOHLER;EB/ORF/ICD:NHERRINGER:CLK

APPROVED BY EB/OT/GCP:DDUNFORD

EB/OT/GCP:EWILLIAMS

EB/ORF/OFB:BMCMULLEN

EB/IFD/ODF:RBENEDICK

EB/ORF/ICD:JJINGERSOLL

STR:BSTEINBOCK

TREASURY:JJOHNSON

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FM SECSTATE WASHDC

TO USMISSION GENEVA

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E.O. 11652: N/A

TAGS: ETRD, GATT

SUBJECT: GATT COMMITTEE ON TRADE AND DEVELOPMENT,  
NOVEMBER 6 AND 7

REF: A) GENEVA 06569

B) STATE 134771

C) GENEVA 06269

1. ADVANCE PHOTOCOPIES OF CTD DRAFT DOCUMENTS RECEIVED.

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US REP SHOULD USE FOLLOWING COMMENTS AS GUIDANCE.

2. IMPLEMENTATION OF GATT PART IV. WE HAVE NO NEW INFORMATION TO REPORT CONCERNING U.S. MEASURES BEYOND THOSE ALREADY CONTAINED IN SECRETARIAT NOTE COM. TD/W/217.

3. REVIEW OF DEVELOPMENTS IN INTERNATIONAL TRADE. US DEL SHOULD CONTINUE TO BE GUIDED BY GENERAL US POSITION STATED REFTEL B WITH FOLLOWING AMENDMENTS PARA 3: DELETE QUOTE US REP MAY NOTE THAT DOCUMENT HAS NOT BEEN RECEIVED IN WASHINGTON UNQUOTE; PARA 3 (A) CHANGE QUOTE PROBLEM OF RISING COMMODITY PRICES UNQUOTE TO QUOTE PROBLEM OF RISING PRICES FOR BOTH COMMODITIES AND OTHER IMPORTS UNQUOTE; AND IN PARA 3 (C) CHANGE QUOTE INCREASING COSTS OF COMMODITY IMPORTS UNQUOTE TO QUOTE INCREASING COSTS OF COMMODITY AND OTHER IMPORTS UNQUOTE. US DEL MAY ALSO DRAW UPON FOLLOWING STATEMENTS, AS APPROPRIATE:

A) RECENT COMMODITY PRICE DECLINES SHOULD BE CONSIDERED IN CONTEXT OF IMMEDIATELY PRECEDING SHARP PRICE RISES. IN MANY CASES CURRENT COMMODITY PRICES ARE STILL SIGNIFICANTLY ABOVE PRE-1972 PRICES. MOREOVER, RECENT DECLINES IN COMMODITY PRICES CANNOT QUALIFY AS TRENDS. PETROLEUM PRICE INCREASES AND THEIR DIRECT AND INDIRECT EFFECTS ON THE COSTS OF PRODUCING AND TRANSPORTING OTHER GOODS AND HENCE ON WORLD INFLATION SHOULD BE CONSIDERED IN ANY REVIEW OF THE CURRENT INTERNATIONAL TRADE SITUATION.

B) THE TERMS OF TRADE IN THE DOCUMENTS MAY RAISE THE ISSUE OF INDEXATION (LINKING THE PRICES OF DEVELOPING COUNTRIES' EXPORTS TO THE PRICES OF IMPORTS). THE US HAS SERIOUS POLICY AND PRACTICAL DIFFICULTIES WITH THE CONCEPT OF TERMS OF TRADE AND INDEXATION. HOWEVER, THE U.S. IS GIVEN CAREFUL CONSIDERATION TO THE UNCTAD STUDY ON INDEXATION AND WILL BE REVIEWING FURTHER UNCTAD STUDIES AS THEY ARE COMPLETED. THE U.S. CONSIDERS THAT THE WORK PROGRAM FOR STUDYING THE ISSUE OF INDEXATION, SET UP AT THE LAST UNCTAD TDB MEETING, ALLOWS FOR ADEQUATE AND TIMELY CONSIDERATION OF THE SUBJECT.

C) THE U.S. IS PROVIDING SUBSTANTIAL AID TO THE MOST LIMITED OFFICIAL USE

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SERIOUSLY AFFECTED (MSA) COUNTRIES. US NON-PROJECT ASSISTANCE TO THESE COUNTRIES IN FY 1974 TOTALED 628 MILLION DOLLARS (PLUS 150 MILLION DOLLARS OF PROJECT AID) AND IN FY 1975, THE U.S. IS PLANNING, SUBJECT TO CONGRESSIONAL APPROVAL, TO PROVIDE 689 MILLION DOLLARS IN NON-PROJECT ASSISTANCE (PLUS 312 MILLION DOLLARS OF PROJECT AID). SUCH ASSISTANCE INCLUDES PROGRAM AID, BALANCE OF PAYMENTS SUPPORT, COMMODITIES AID, AND DEBT

RELIEF. IN ADDITION, USG IS CONSIDERING AN INCREASE IN THE AMOUNT OF FUNDS TO BE EXPENDED FOR FOOD SHIPMENTS THIS FISCAL YEAR, BEYOND THAT INCLUDED IN THE ABOVE FIGURES; THE AMOUNT OF SUCH AN INCREASE AND WHETHER IT WILL RESULT IN ANY VOLUME INCREASE HAVE NOT YET BEEN DETERMINED. THE U.S. IS ALSO PROVIDING SIGNIFICANT ASSISTANCE TO OTHER DEVELOPING COUNTRIES WHICH THE U.S. HAS DETERMINED TO BE ESPECIALLY DISADVANTAGED BY PRICE INCREASES IN OIL AND OTHER IMPORTS.

4. ACTIVITIES OF THE COMMITTEE ON TRADE AND DEVELOPMENT. WITH REGARD TO CTD ACTIVITIES RELATIVE TO THE MTN, MISSION SHOULD BE GUIDED BY INSTRUCTIONS FOR LAST SESSION OF CTD CONTAINED IN REFTEL B.

5. TECHNICAL ASSISTANCE TO DEVELOPING COUNTRIES. DOCUMENTATION TO DATE CLEARLY INDICATES CONSIDERABLE WORK WHICH TNC SUBGROUPS HAVE UNDERTAKEN TO MEET INTERESTS AND REQUESTS OF LDCS. SECRETARIAT SHOULD BE COMMENDED FOR ITS EXTENSIVE WORK. WE EXPECT CONTINUED RESPONSIVENESS TO TECHNICAL ASSISTANCE NEEDS OF LDCS BY PERMANENT NEGOTIATING BODY OF MTN. WE NOTE IN THIS CONNECTION THAT CTD EXPRESSES SIMILAR VIEW IN PARA (G) OF COM.TD/W/216.

6. GATT SPECIAL ASSISTANCE UNIT (SAU). WE BELIEVE SPECIAL UNIT CREATED BY LONG(REFTEL C) CAN PLAY USEFUL ROLE AND PERHAPS GIVE ADDITIONAL FOCUS TO TECHNICAL ASSISTANCE EFFORTS BEING PROVIDED BY THE CTD. SPECIAL UNIT SHOULD BE PARTICULARLY HELPFUL IN ASSISTING SMALLER LDC'S WITH LIMITED TRADE POLICY EXPERTISE TO UTILIZE WEALTH OF TECHNICAL MATERIAL AND ANALYSES ALREADY AVAILABLE. WHILE FORMAL COORDINATION MAY NOT BE NECESSARY WE WOULD LIKE TO SEE SOME ATTEMPT MADE TO AVOID DUPLICATION BETWEEN LIMITED OFFICIAL USE

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THE WORK DONE BY SAU AND BY UNCTAD/UNDP ADVISORY SERVICES PROJECT FOR MTN. WE NOTE, FOR EXAMPLE, THAT UNDP HAS COMMITTED FUNDS AMOUNTING TO SOME 1,446,000 DOLS TO ASSIST DEVELOPING COUNTRIES PREPARED FOR THE MTN. INGERSOLL

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Decaption Date:** 01 JAN 1960  
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**Disposition Date:** 28 MAY 2004  
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**TAGS:** ETRD, GATT  
**To:** GENEVA  
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